The President's statement on the Budget.

Members of the Cochin Legislative Council,—I do not wish to take up your time more than it is absolutely necessary for the purpose of offering my remarks on the financial position of the State as disclosed by the Finance Member's speech. Before, however, pointing out the few matters of importance that I have to bring to the notice of the Members of the House, I must express my hearty appreciation of the manner in which the Finance Member placed before you the salient features of the administration on the financial side. His speech is to my mind a matter-of-fact one, without any exaggeration or ornamentation. He has made an earnest attempt to place the true facts in as simple a language as possible. With many of the remarks contained in the Finance Member's speech I heartily agree, and I have no doubt that the Members of the House will join with me in congratulating him on the excellent speech he has just now delivered.

I need hardly remind the Members of this House that the budget has been framed in accordance with the rules made therefor in the Cochin Account Code, and I must point out that, so far as the form of the preparation of the budget is concerned, there is no ground for any reasonable criticism. I am making this statement solely for the purpose of correcting a misapprehension existing in the minds of a few Members which was disclosed to me at the last year's discussion that the budget has been prepared in an objectionable manner. If, however, there are Members who still think that the proper preparing of the budget is to be on different lines, I shall be glad of their enlightening the Government on the subject, and proper consideration will be given to their observations. Speaking for myself, I had a great deal to do with the forecast of receipts and expenditure for the coming year. I wish to point out that considerable pains were taken to present the estimates in as reasonable and satisfactory a manner as possible. The principle has been all along kept in mind that I should not go to the Council with a deficit budget, and at the same time it is not a wise policy, just for the purpose of presenting a balanced budget, to capriciously cut down figures here and there. So far as the present year's budget is concerned, I adopted a new method in finally fixing the figures, and I am glad to state that that has enabled me to satisfy myself that all necessary and reasonable provisions had been made for the various departments, having regard to the financial resources at the disposal of the State. What I am referring to in this connection is that I took

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the heads of the more important spending departments into my confidence, and had a personal discussion with them in regard to the provisions made in their budgets presented to the Government. As the Finance Member has truly pointed out, were I to follow the figures supplied to me by the Heads of Departments without my scrutinising them, the result would have been a deficit budget. In most of the cases I was able to satisfy my Departmental Heads that the provision made by me was ample; in some cases they had to withdraw their demand, while in others I acceeded to their request and made the necessary provision. The Heads of Departments with whom I spent a sufficiently long time in this sort of personal discussion were the Conservator of Forests, Chief Medical and Sanitary Officer, Director of Public Instruction, Chief Engineer and the Superintendent of Agriculture and Panchayats. All these are departments, you will note, in which a considerable sum of money has to be provided for to keep them in an efficient condition.

The few matters on which I have to lay some stress will now be referred to by me and, in the forefront, I place the question of the continuance or otherwise of the Cochin Forest Tramway. The members of the Special Finance Committee had submitted to the Government an interim report to the effect that the Tramway can be worked as a commercial concern only till the close of Makaram 1103, and I had to go into their recommendation carefully before the preparation of my budget under the heads of Forest and Tramway. The majority report of the Committee as well as the separate minutes of some of the members were carefully perused, and I discussed the matter at some length at a personal conference with the Chief Engineer and the Tramway Engineer at Chalakkudi. The Conservator of Forests whom I had asked to be present at the conference was unable to do so on account of ill-health; nevertheless, I had informal discussions with him many a time on this important question, and the conclusion reached after a careful consideration of every aspect of the case is that there is sufficient work for the Tramway, at all events, for the whole of 1103. I have reason to think that a few of the non-official Members who took a strong view about the earlier closing of the Tramway had occasion to change their views, and one of the Members has asserted that the question of the continuance of the Tramway must be left to the men on the spot. I do not want to trouble you with any details as to the figures justifying the maintenance of the Tramway for 1103, and my Conservator of Forests to whom opportunity will be afforded for enlightening the Members of the Council in the matter will, I hope, present a vigorous defence in support of the Govern-

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ment position that the Tramway must be continued, at all events, for the whole of 1103.

I am confident that the Members of this House will clearly see that ample provision has been made for keeping up a progressive administration and that special increase made to the department of Education, Public Works, Agriculture and Panchayats and Medical. So far as education is concerned, it is not possible to stint expenditure and to desist from making liberal provision, if we wish to retain the well-earned name of 'Progressive Cochin' so far as education is concerned. I think it is the primary duty of the Government to see that the illiteracy of the mass is removed and that the State must be prepared to incur the necessary expenditure on this account. As years roll on, this expenditure is likely to increase as the results for the last few years will show; and I do not know where we will be after some time. The turn from the higher literary to the industrial education which the Government is attempting to encourage by all possible means must be welcomed, and we have successfully carried out this experiment in regard to a few schools during the year. This will afford solution, to some extent, of the acute problem of un-employment, and I think our future policy will be to encourage this diversion as far as possible. In regard to the expenditure on Public Works, I expect some unfavourable criticisms against provision being made for some buildings. An indication has been given to me already at the meeting of the Standing Finance Committee that objection will be raised to spending much money on brick and mortar instead of making liberal provisions for irrigation. I wish to point out to the Members of the House that the provision made for the buildings has been made only to meet actual necessities, and the Government are prepared to satisfy the Members in regard to each and every building for which provision has been made that it has been found really necessary. As regards Agriculture and Panchayats, the Government note that it is a department in which liberal provision has to be made, and I have done my best to make provision for the same on as liberal a scale as possible. A good deal, I should think, regarding the economic uplift of the masses in general depends upon how the Panchayats work, supported as they are by the liberal grants from the Government. The Government has in view a scheme of rural reconstruction in which the Diwan Peishkar, Chief Medical and Sanitary Officer and the Superintendent of Agriculture and Panchayats are at present engaged, and I think it is high time that we must concentrate attention on the villages and see in what way we can bring about the material, social and economic im-

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provement of the lot of the villagers. Increased provision has been made under the head of Panchayats, and to some extent this, provision is to be utilised in the direction of putting up irrigation *chiras* wherever possible. No expensive scheme of irrigation is possible in any taluk of the Cochin State except Chittur, but as the Chief Engineer will explain to you when his turn comes, we have taken seriously the question of making the water of the Chalakkudi river useful for agricultural purposes, and special investigation will shortly be made in regard to this subject.

There is notable increase of revenue under the head of Opium, and this we have been able to secure by obtaining a rebate on opium from the Madras Government from the beginning of April 1927. By reason of this rebate both on ganja and opium given to us, we have been enabled to carry on our administration of these drugs in a better manner by the introduction of the independent shops, and thus assimilating our system to that of the British. The receipt under opium stated in the budget to be Rs. 32,000 has to be increased to a larger amount, and the Superintendent of Excise will explain in detail how the correct figures have to be fixed.

The Members of the House will be glad to note that it was possible for the Government to provide a lakh of rupees for increasing the pay of the low-paid servants in accordance with the unanimous recommendation of the Special Finance Committee. This is, I think, a measure of considerable and far-reaching importance, and I hope it will be possible to work out the details of the distribution of the amount sufficiently early so that the low-paid men may not be kept in suspense for a long time as to when and how much they will be paid on account of the increased provision. I must thank the members of the Special Finance Committee for recommending the scheme of taxation on non-agricultural income, and this tax to which the wealthy alone may possibly have a complaint, which complaint they should not press on account of the large benefit it confers on the poor population, will, I hope, take practical shape at the commencement of the year following 1103. Substantial provision has been made for opening new roads, Rs. 25,000 for ghat road to Nelliyampaties, Rs. 25,000 for Cochin-Alleppy road, and I think the Members of the House will realise the necessity and utility of such provisions. Some buildings are proposed to be constructed in the General Hospital, Ernakulam, to increase its usefulness, and there is provision made for reclamation works on the Ernakulam foreshore—a work which requires urgent attention. In view

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of the recent appointment of a Protector of the Depressed Classes, liberal provision has been made to organise that department and to do some earnest and real work for ameliorating the condition of the Depressed Classes. The *Ex-Officio* Protector of the Depressed Classes, had the advantage of learning at first hand as to how the system is working in the Madras Presidency, and he will be able to present to the House his ideas and plan of work in regard to this useful and important matter. Provisions have also been made under 'Economic Development' and 'Archæology', and I need hardly tell you that a great deal remains to be done in these useful departments.

In concluding my remarks, I may express a hope that, in the general discussion on the budget which will keep us engaged to-morrow and the day after and in the voting of demands for grants for the next seven days, it will be possible for the non-Official Members to place before the House helpful suggestions of a practical nature for the guidance of the Government in working up to a sound financial policy.

We have no more work for the day. We shall disperse.

The House rose at 2—11 p. m. to meet again at 11—30 a. m. the next day.

T. K. KRISHNA MENON,
Secretary to the Legislative Council.

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